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18 AUG 1963

MEMORANDUM FOR: Deputy Director (Science and Technology)

SUBJECT : Major Outstanding Issues with NRO

REFERENCE :: Memorandum for DDCI from AD/OSA, dtd
17 Aug 63; Subject: "CIA/DOD Management
Relations Problems under the NRO Concept."



1. Attached herewith are brief outlines and accompanying recommendations on those major issues of substance for which we have no solution in our dealings with the Director, National Reconnaissance Office.

2. It is obvious that these are not the only matters where the present outlook is murky with regard to this Agency's role in the National Reconnaissance Program; yet, in all fairness, some issues remain unsettled simply because they have not been surfaced by either side and it is still possible that solutions may be found for them without resorting to what might be premature and explosive attempts to solve them in the confrontation scheduled for 19 August. For example, there is no clear idea of what will become of the [redacted] when they are finished and delivered [redacted] Five were ordered by DNRO; two have been diverted to TAGBOARD use; it is planned to ask DNRO for one to be assigned to OXCART. The remaining two ordered by USAF but for which no mission has been assigned are in limbo. We could bring this up now, but we have no clear evidence that DNRO would not agree quietly to their use by OXCART if we asked him, which we have not.

3. We understand that the NRO Budget problem is being treated separately in another paper, and that the recent DNRO letter on COMOR faults has been dealt with by [redacted] Acting COMOR Chairman. In addition to the attachments herewith, Colonel Ledford has covered many of the purely management squabbles with DNRO and the NRO Staff in the referenced document.

NRO review(s) completed.



JAMES A. GUNNINGHAM, JR.
Deputy Assistant Director, OSA

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A. TAGBOARD:

TAGBOARD, the scaled-down, droned version of the OXCART vehicle, originated in response to views of General Doolittle and Dr. Fubini that an alternative to a manned OXCART system should be available to the President when a final decision was required on high priority over-flight missions. As such, it is fair to call it a direct derivative of OXCART, and because it would be covertly launched operationally, it should fall within the same restrictive security envelope provided for OXCART.

At the time of letting the initial feasibility study with Lockheed, the then DNRO assigned technical direction to CIA without limiting such assignment to the feasibility stage, as was later claimed by proponents of Air Force who argued subsequently that assignment should be shifted to Director, Program D. Air Force claimed greater drone experience and that there was a "military mission" for TAGBOARD as a bomber, despite its small (250 lb.) payload. In June of 1963, without prior conclusive consultation with CIA, DNRO attempted to effect reassignment of TAGBOARD to Director, Program D. CIA protested and retained technical direction. The week of 5 August 1963, following conversations on the subject between DDCI and DNRO, the latter attempted again to reassign TAGBOARD to Director, Program D, as "a transition move." DDCI protested this decision as being inconsistent with his discussions with DNRO. The matter at present remains unresolved. DNRO charged CIA was "unenthusiastic" over TAGBOARD.

RECOMMENDATION: The basic reasoning in assigning TAGBOARD to Director, Program B, for technical direction and operational control, as well as for contracting and security, was predicated on the Siamese twin relationship between OXCART and TAGBOARD, and the obvious necessity to conceal the existence of both equally since at this time it cannot be predicted which covert system might eventually be employed operationally. Nothing in this equation has changed. Therefore, recommend full responsibility for TAGBOARD remain with Director, Program B.

B. EASTMAN KODAK

Until emergence of NRO, CIA had full contractual and operational control and responsibility over photo processing of take from IDEALIST and CORONA projects. Eastman received processing priorities from CIA, which responded to priority rankings as set forth by USIB (COMOR). Actual control of distribution of take from the Eastman plant was under

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CIA control. CIA established the level of effort of EK in the processing field and funded directly from Agency resources for the processing costs for the intelligence community. EK established a cell within the company, under semi-autonomous management, to deal with CIA covertly on all TALENT and TKH processing and processing equipment R&D matters.

Today CIA still has contractual responsibility for administering, on behalf of NRO, Eastman's part of the national processing effort. Security responsibility is technically ours, and we are responsible for recommending as part of Program B, an annual budget figure for processing of all take from the NRP that is done by Eastman. However, DNRO makes the final decision as to the size of the EK budget, and, because Air Force has an understandable desire to establish its own level of competence in photo-processing at various centers in the ZI and overseas, we are finding that an increasing share of the processing business is going to them under unilateral direction of the NRO Staff, which has also been instructing Eastman not only in processing priorities, but in how fast they shall complete that work assigned them. NRO Staff has directed EK to "stretch out" processing time through unilateral direction on amount of overtime worked, thus delaying delivery of final product processed by them. It has been suggested, but cannot be proved, that this tactic was adopted by the NRO Staff to equate the photo processing time envelopes of Eastman and the Air Force facilities, which cannot operate at the advanced skill level of Eastman, whose learning curve has over the years become a constant. NRO Staff has also assumed control of distribution of processed take to intelligence community customers, resulting in considerable confusion to EK, and, below the levels of the first few priority customers, unwarranted delays in deliveries.

R&D on photo processing equipment, formerly under exclusive CIA control and management, has within recent months been given to Director, Program A, by DNRO over the objections of the then DDNRO, Dr. Scoville.

RECOMMENDATION: That responsibility for technical direction, assignment of processing priorities and control of take distribution of T and TKH materials be given to Director, Program B, and that R & D on photo processing equipment, now under control of Director, Program A, also be returned to Director, Program B.

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D. CIA ROLE IN FUTURE MAJOR SATELLITE RECON SYSTEMS:

Current satellite systems management is principally in the hands of the Director, Program A. CIA management and control of CORONA and ARGON virtually disappeared coincident with the decision transferring operational control from CIA to the Satellite Operations Center under DNRO this past April. CIA continues to support established systems and those now being developed in the areas of contracting, security, communications and automatic data processing, and the Director, Program A, confidently expects CIA to continue this support in any major system not yet contracted for. The Agency's ability to exercise a controlling influence on any aspect

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of those projects now under Director, Program A, is drastically limited and subject to the invitation and concurrence of Program A authorities. There is even a question how much control the DNRO has over the Director, Program A, who is strategically located in the midst of satellite systems contractors and launch and recovery facilities.

CIA has never attempted to control launch vehicles, launch facilities, tracking and recovery forces in past satellite operations. We have wisely limited our role to responsibility for covert development of payload and covert operational control of the total flight system, plus targetting responsibility. When CORONA and ARGON were the only successful satellite systems in operation, CIA was responsible for scheduling and planning, but since April 1963, this role has been exercised only indirectly through our representation in the SOC. Scheduling today lies well within the domain of the Director, Program A.

If there is a place where CIA can usefully participate in new satellite systems development, it is in the payload area with the Agency being responsible for the investigation of new and unique lens-film combinations, new sensors and the like. CIA can best be held responsible for the covert development of new payloads to keep pace with advanced booster systems. This effort lies within our capabilities, while overall weapons systems management, tracking, launching and recovery do not.

RECOMMENDATION: That Director, Program B, be made responsible for payload investigation, design and development on satellite reconnaissance systems [] subject to the overall technical systems management of the Director, Program A, who would be responsible for vehicle-payload interface, systems operation, procurement of vehicles and payload recovery. SOC would furnish operational control and intelligence targetting under DNRO supervision, responsive to USIB (COMOR) target requirements.

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PROPOSED DIVISION OF FUNCTIONAL RESPONSIBILITIES WITHIN NRO

<u>Function:</u>	<u>Satellite Systems:</u>	<u>Manned or Unmanned Aircraft Systems</u>
New Systems Requirements (USIB) (Feasibility Studies - Proposal Evaluation)	USAF for Vehicles CIA for Payloads	CIA
Systems Choice and Design	USAF/CIA	CIA/USAF
Contractor Selection	USAF/CIA	CIA/USAF
Funding	USAF for Vehicles CIA for Payloads	CIA
Technical Direction	USAF for Vehicles & Interface CIA for Payloads USAF for Systems Operation & Recovery	CIA
Physical and Logistics Support	USAF	USAF
Contracts Administration and Negotiation	CIA	CIA
Security Guidance	CIA	CIA
Scheduling and Long Range Planning	CIA	CIA
Intelligence Targeting	CIA	CIA
Operational Control and Mission Planning	USAF	CIA
Film Processing & Supply; R&D for Processing Equipment	CIA	CIA
Product Exploitation	CIA/NPIC	CIA/NPIC

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DAD/OSA:JACUNNINGHAM, JR/mpr

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